

An Overview of Franklin County's 2008 Annual Trending October 29, 2008

The following steps were taken to conduct the 2008 annual trending in Franklin County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Franklin County were completely re-examined and, where necessary, re-delineated for annual trending in 2007. Because of this, most of the county's neighborhoods were in good shape. For 2008, several neighborhoods in Brookville Town were further examined. This review led to the creation of a new neighborhood for more accurate assessments.

Step 2: Calculation of New Land Values

For residential property, small adjustments have been made to land values based on sales, but the market adjustment factor was the primary means of updating residential property values. Roughly 25% of the residential neighborhoods had minor adjustments in their land values for 2008. A thorough review was done for commercial and industrial properties to increase county wide uniformity. Roughly 50% of the C&I neighborhoods had minor adjustments to their land values for 2008. Some market areas or use types (such as gas stations, convenience markets, fast food restaurants, nursing homes and mobile home parks) warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new market factor. This resulted in the calculation of new market factors and effective age studies, with a primary emphasis on non-sold properties.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2006 to 2007. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. golf courses, landfills, mobile home parks, etc.) often resulting in sizeable percentage changes. On average, gross costs increased approximately 3% between 2006 and 2007. However, adjustments above and below this average was applied for specific use types where more detailed construction costs were available. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.

In addition to updating the cost tables, sales, income, and appraisal data was used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county,

this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.